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July 10, 2020

The Honorable Seema Verma  
Administrator  
Centers for Medicare and Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue SW  
Washington, DC 20201

SUBMITTED ELECTRONICALLY VIA REGULATIONS.GOV

RE: Medicare Program; Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals and the Long-Term Care Hospital Prospective Payment System and Proposed Policy Changes and Fiscal Year 2021 Rates; Quality Reporting and Medicare and Medicaid Promoting Interoperability Programs Requirements for Eligible Hospitals and Critical Access Hospitals (CMS-1735-P)

Dear Administrator Verma:

The Society of General Internal Medicine (SGIM), a member-based internal medicine association of more than 3,500 of the world's leading academic general internists, writes to provide comments on the Centers for Medicare & Medicaid Services (CMS) Fiscal Year (FY) 2021 Medicare Hospital Inpatient Prospective Payment System (IPPS) Proposed Rule (CMS-1735-P). Our members are dedicated to improving the access to care for all populations, eliminating health care disparities, and enhancing medical education. They serve as the primary internal medicine faculty of every medical school and major teaching hospital in the United States and are deeply invested in ensuring patients have access to a well-trained physician workforce.

SGIM supports all efforts to provide a robust physician workforce and sustainable training system designed to meet the needs of today's health care system. As such, SGIM appreciates CMS' proposal to provide greater flexibility for residents who are attempting to find alternative hospitals to complete their training once a hospital or residency program closes. Outlined below are our comments on the proposed policy changes related to closing teaching hospitals and residency programs outlined in section N, entitled *Payments for Indirect and Direct Graduate Medical Education Costs*.

CMS proposed to expand the definition of a "displaced resident" to address the needs of residents who are attempting to find alternative hospitals, after a hospital and residency program closure, to complete their training. Current regulations require residents be physically present at the closing hospital on the day prior or day of the actual closure to be considered "displaced." Placing residents into "displaced" status when the hospital closure is publicly announced allows hospitals and programs to facilitate a judicious transition for residents while maintaining an adequate work force to meet the declining clinical demands of the closing hospital. SGIM agrees with CMS that this proposal would provide greater flexibility for the residents to transfer while the hospital operations or residency programs were winding down,



rather than waiting until the last day of hospital operation. **SGIM appreciates this flexibility for residents and believes this is an important change.**

The proposed rule also allows temporary cap transfers for residents who are not physically present at the closing hospital, but had intended to train at or return to training at the closing hospital, such as residents on rotation or recent medical school graduates. This would benefit residents like those who matched into training programs at Hahnemann University Hospital in Philadelphia, PA prior to its closure in June 2019 and were scheduled to start after the hospital closure date. Receiving hospitals would now be granted a temporary cap increase and assurance funding would accompany the displaced resident starting their program the following year.

Under this proposed rule, resident cap transfers are still “voluntary and made at the sole discretion of the originating hospital.” Additionally, CMS states, “if the originating hospital is training residents in excess of its caps, then being a displaced resident does not guarantee that a cap slot will be transferred along with that resident.” This raises serious concern regarding a resident’s ability to continue their training at an alternate hospital. As an example, there was a delay in clarifying whether administrators of Hahnemann University Hospital would sign the displacement agreements prior to the hospital’s closure and how many cap slots were available. This caused a significant delay in residents receiving offers from other hospitals due to the receiving hospital’s skepticism of whether they would receive the resident cap slots. SGIM believes that cap transfer authority should not be given to the closing hospital.

**To eliminate ambiguity in this proposal, we recommend CMS declare that any available cap for displaced residents be equally divided and reallocated with each displaced resident in an accredited residency program.**

Finally, SGIM recognizes that the proposed rule does not address the potential for a closing hospital to sell resident slots. SGIM believes agreements that involve matching residents financially rather than based on merit, can negatively affect the training of residents and the health care workforce. Moreover, the sale and transfer of resident slots prior to the announcement of a hospital closure could significantly impact resident caps and possibly reduce available caps for displaced residents. Individual residents are not aware whether their position is included within the cap or outside of the cap. It is crucial that residents receive accommodation for the duration of their training under any circumstance.

**To protect displaced residents and hospitals willing to receive them, SGIM recommends acknowledgement from CMS and a clarifying statement that such transactions are not allowed.**

Thank you for the opportunity to provide comments on the IPPS proposed rule, pursuant to Federal Register notice CMS-1735-P. We appreciate your consideration of these comments and welcome the opportunity to continue this discussion and answer any questions you may have. Should you require any further information, please contact Michaela Hollis at mhollis@dc-crd.com.



Sincerely,

A handwritten signature in black ink that reads 'Jean S. Kutner'. The signature is written in a cursive, flowing style.

Jean S. Kutner, MD, MSPH  
President, Society of General Internal Medicine